



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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April 22, 2008

The Honorable George Little, Commissioner, Department of Correction
The Honorable Michael Nesbitt, Smith County Mayor
The Honorable Ronald Lankford, Smith County Sheriff

To the Commissioner, County Mayor, and Sheriff:

Our office recently completed a review of Smith County's participation in the County Correctional Incentive Program for the year ended June 30, 2006.

The finding and recommendation and the summary of adjustments to felon days, as a result of our review, are presented in detail in the enclosed report. The following is a summary of the results of our review:

Our review discovered 32 overreported felon days that resulted in an overpayment of \$1,120 to Smith County. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.

Please contact me if you have any questions regarding our review of Smith County's participation in the County Correctional Incentive Program.

Sincerely,

James R. Arnette, Director

cc: Judith Lambert, Judicial Cost Accountant

**SMITH COUNTY, TENNESSEE
REPORT ON THE REVIEW OF THE
COUNTY CORRECTIONAL INCENTIVE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2006**

This report reviews Smith County's participation in the County Correctional Incentive Program for the year ended June 30, 2006.

As a result of our review, we discovered 32 overreported felon days that resulted in an overpayment of \$1,120 to Smith County. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.

The objectives of the review were:

1. to determine if prisoners were properly listed on the State Prisoner (Convicted Felon) Reports,
2. to determine if inmates were accurately reported on the Correction Facility Summary Reports, and
3. to recommend appropriate actions to correct any deficiencies.

SCOPE OF THE REVIEW

In performing our review, we tested the proper classification of convicted felons listed on the State Prisoner Reports to ensure accurate reporting. Testwork included tracing information from the reports to the actual case files to verify the listed offenses, trial dates, and incarceration periods.

Furthermore, we evaluated procedures related to the counting and reporting of the total felon inmate population as reported on the Correction Facility Summary Reports. We also performed tests on selected days to determine that the number of prisoners reported agreed with counts of prisoners actually incarcerated at the facility.

FINDING AND RECOMMENDATION

The finding and recommendation, as a result of our review, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. Officials offered an oral response to the finding and recommendation; however, this oral response has not been included in this report.

FINDING 1 TOTAL FELON DAYS WERE NOT ACCURATELY DETERMINED AND REPORTED

Smith County did not accurately count and assess the total felon days as reported to the state on the Correction Facilities Summary Reports (CSFRs) and the Final Cost Settlement Report. We discovered 32 overreported felon days that resulted in an overpayment of \$1,120 to Smith County.

RECOMMENDATION

Management should ensure that total felon days are reported accurately on the monthly CSFRs and the Final Cost Settlement Report submitted to the Tennessee Department of Correction.

**SMITH COUNTY, TENNESSEE
SUMMARY OF ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

The following is a summary of adjustments made to the felon days as settled in the desk review by the Tennessee Department of Correction. The adjustments, as a result of our review, are discussed in detail in the Finding and Recommendation section.

	<u>Felon Days</u>
As Settled in the 2006 Desk Review	2,527
Overreported Felon Days	<u>(32)</u>
Total Adjusted Days	<u><u>2,495</u></u>

Our review discovered 32 overreported felon days that resulted in an overpayment of \$1,120 to Smith County based on their maximum rate of reimbursement of \$35 per inmate day. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.